

Introduced by Senator Wolk

February 15, 2011

An act to amend Section 2826.5 of the Public Utilities Code, relating to private energy producers.

LEGISLATIVE COUNSEL'S DIGEST

SB 383, as introduced, Wolk. Private energy producers: PVUSA solar facility.

Under existing law, the Public Utilities Commission has regulatory jurisdiction over public utilities, including electrical corporations, as defined. Existing law permits a private energy producer, as defined, to generate electricity not generated from conventional sources, as defined, solely for its own use or the use of its tenants, or generating electricity to or for any electrical corporation, state agency, city, county, district, or an association thereof, but not the public, without becoming a public utility subject to the general jurisdiction of the commission.

Existing law authorizes the City of Davis to receive a bill credit, as defined, to a benefiting account, as defined, for electricity supplied to the electrical grid by a photovoltaic facility located within and partially owned by the city (PVUSA solar facility) and requires the commission adopt a rate tariff for the benefiting account. Existing law authorizes the peak electricity generating capacity for the facility to be expanded, not to exceed one megawatt.

This bill would authorize the peak electricity generating capacity of the PVUSA solar facility to be expanded, not to exceed 20 megawatts and would eliminate the requirement that the facility be owned, at least in part, by the City of Davis. The bill would additionally revise the requirements to be a benefiting account, would revise how benefiting accounts are billed, would revise how benefiting accounts are credited

with electrical generation from the PVUSA solar facility, and would authorize a benefiting account that is a net surplus customer-generator, as defined, to affirmatively elect to receive net surplus electricity compensation, as defined.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 2826.5 of the Public Utilities Code is
2 amended to read:

3 2826.5. (a) As used in this section, the following terms have
4 the following meanings:

5 (1) “Benefiting account” means an electricity account, or more
6 than one account, ~~mutually agreed upon by Pacific Gas and Electric~~
7 ~~Company and~~ *designated by the City of Davis that is to receive a*
8 *bill credit for electricity generated by PVUSA .*

9 (2) “Bill credit” means credits calculated based upon the
10 electricity generation component of the rate schedule applicable
11 to a benefiting account, as applied to the net metered quantities of
12 electricity.

13 (3) “PVUSA” means the photovoltaic electricity generation
14 facility selected by the City of Davis, located at 24662 County
15 Road, Davis, California, with a rated peak electricity generation
16 capacity of 600 kilowatts, and as it may be expanded, not to exceed
17 ~~one megawatt~~ *20 megawatts* of peak generation capacity.

18 (4) “Net metered” means the electricity output from the PVUSA.

19 (5) “Environmental attributes” associated with the PVUSA
20 include, but are not limited to, the credits, benefits, emissions
21 reductions, environmental air quality credits, and emissions
22 reduction credits, offsets, and allowances, however entitled
23 resulting from the avoidance of the emission of any gas, chemical,
24 or other substance attributable to the PVUSA.

25 (b) The City of Davis may elect to designate a benefiting
26 account, or more than one account, to receive bill credit for the
27 electricity generated by the PVUSA, if all of the following
28 conditions are met:

29 ~~(1) A benefiting account receives service under a time-of-use~~
30 ~~rate schedule.~~

31 ~~(2)~~

(1) The electricity output of the PVUSA is metered for time of use to allow allocation of each bill credit to correspond to the time-of-use period of a benefiting account *that is on a time-of-use rate schedule*.

~~(3)~~

(2) All costs associated with the metering requirements of ~~paragraphs (1) and (2)~~ *paragraph (1)* are the responsibility of the ~~City of Davis~~ *holder of the benefiting account*.

~~(4)~~

(3) All electricity delivered to the electrical grid by the PVUSA is the property of Pacific Gas and Electric Company.

~~(5)~~

(4) PVUSA does not sell electricity delivered to the electrical grid to a third party.

~~(6)~~

(5) The right, title, and interest in the environmental attributes associated with the electricity delivered to the electrical grid by the PVUSA are the property of Nuon Renewable Ventures USA, LLC.

(c) Upon designation of a benefiting account, or upon removal of an account as a designated benefiting account, the City of Davis shall do both of the following:

(1) Determine the percentage of the PVUSA electricity that shall be credited to each benefiting account and provide notice to Pacific Gas and Electric Company of the percentage that is to be credited to each benefiting account.

(2) Prepare a bill for the holder of the benefiting account that is credited, pursuant to subdivision (e), for electricity generated by the PVUSA.

(d) Every other month, Pacific Gas and Electric Company shall inform the City of Davis regarding the amount each benefiting account was credited, pursuant to subdivision (e), for electricity generated by the PVUSA.

~~(e) A~~

~~(e) Every other month, each benefiting account shall be billed on a monthly basis, charged as follows:~~

(1) For all electricity usage, the rate schedule applicable to the benefiting account, including any surcharge, exit fee, or other cost recovery mechanism, as determined by the commission, to reimburse the Department of Water Resources for purchases of

1 electricity, pursuant to Division 27 (commencing with Section
2 80000) of the Water Code.

3 (2) The rate schedule for the benefiting account shall also
4 provide credit for the ~~generation component of the time-of-use~~
5 ~~rates for percentage of~~ the electricity generated by the PVUSA
6 that is *assigned to that benefiting account and that is* delivered to
7 the electrical grid. *For each benefiting account that receives service*
8 *under tariffs that use baseline and above-baseline rates, the net*
9 *kilowatthours generated shall be valued at the same price per*
10 *kilowatthour as Pacific Gas and Electric Company would charge*
11 *for the baseline quantity of electricity during that billing period,*
12 *up to baseline quantities. If the number of kilowatthours generated*
13 *exceeds the baseline quantity, the amount generated above baseline*
14 *quantities shall be valued at the same price per kilowatthour as*
15 *Pacific Gas and Electric Company would charge for electricity*
16 *usage over baseline quantities during the billing period. For each*
17 *benefiting account that receives service under tariffs that use a*
18 *time-of-use rate schedule, the net kilowatthours generated shall*
19 *be valued at the same price per kilowatthour as Pacific Gas and*
20 *Electric Company would charge during that same time-of-use*
21 *period.* The generation component credited to the benefiting
22 account may not include the surcharge, exit fee, or other cost
23 recovery mechanism, as determined by the commission, to
24 reimburse the Department of Water Resources for purchases of
25 electricity, pursuant to Division 27 (commencing with Section
26 80000) of the Water Code.

27 (3) If in any billing cycle, the charge pursuant to paragraph (1)
28 for electricity usage exceeds the billing credit pursuant to paragraph
29 (2), ~~the City of Davis benefiting account shall be charged billed~~
30 *by Pacific Gas and Electric Company* for the difference.

31 (4) If in any billing cycle, the billing credit pursuant to paragraph
32 (2), exceeds the charge for electricity usage pursuant to paragraph
33 (1), the difference shall be carried forward as a credit to the
34 *benefiting account in the next billing cycle.*

35 ~~(5) After the electricity usage charge pursuant to paragraph (1)~~
36 ~~and the credit pursuant to paragraph (2) are determined for the last~~
37 ~~billing cycle of a calendar year, any remaining credit resulting~~
38 ~~from the application of this section shall be reset to zero.~~

39 (5) *At the end of each 12-month period in which the electricity*
40 *generated by the PVUSA that is credited to the benefiting account*

1 *is greater than the electricity actually delivered by Pacific Gas*
2 *and Electric Company during that period, the benefiting account*
3 *is a net surplus customer-generator, as defined in Section 2827,*
4 *and upon the affirmative election Pacific Gas and Electric*
5 *Company shall either (A) provide net surplus electricity*
6 *compensation, pursuant to Section 2827, for any net surplus*
7 *electricity generated during the prior 12-month period, or (B)*
8 *allow the holder of the benefiting account to apply the net surplus*
9 *electricity as a credit for kilowatthours subsequently supplied by*
10 *Pacific Gas and Electric Company to the benefiting account. If*
11 *the holder of the benefiting account does not affirmatively elect to*
12 *receive net surplus electricity compensation, Pacific Gas and*
13 *Electric Company shall retain any excess kilowatthours generated*
14 *during the prior 12-month period, and the benefiting account is*
15 *not owed any compensation for the net surplus electricity unless*
16 *it enters into a purchase agreement with Pacific Gas and Electric*
17 *Company for those excess kilowatthours.*

18 ~~(d)~~

19 ~~(f) Not more frequently than once per year than once every other~~
20 ~~month, and upon providing Pacific Gas and Electric Company with~~
21 ~~a minimum of 60 days 30 days' notice, the City of Davis may elect~~
22 ~~to change, add, or remove a benefiting account. Any credit~~
23 ~~resulting from the application of this section earned prior to the~~
24 ~~change in a benefiting account that has not been used as of the~~
25 ~~date of the change in the benefit account, shall be applied, and~~
26 ~~may only be applied, to a benefiting account as changed.~~

27 ~~(e)~~

28 ~~(g) Pacific Gas and Electric Company shall file an advice letter~~
29 ~~with the Public Utilities Commission, that complies with this~~
30 ~~section, not later than 10 days after the effective date of this section,~~
31 ~~proposing a rate tariff for a benefiting account. The commission,~~
32 ~~within 30 days of the date of filing, shall approve the proposed~~
33 ~~tariff, or specify conforming changes to be made by Pacific Gas~~
34 ~~and Electric Company to be filed in a new advice letter.~~

35 ~~(f) The City of Davis may terminate its election pursuant to~~
36 ~~subdivision (b), upon providing Pacific Gas and Electric Company~~
37 ~~with a minimum of 60 days notice.~~

38 ~~(h) Should the City of Davis sell its interest in the PVUSA, or~~
39 ~~sell the electricity generated by the PVUSA, in a manner other~~
40 ~~than required by this section, upon the date of either event, and~~

1 ~~the earliest date if both events occur~~, no further bill credit pursuant
2 to paragraph (2) of subdivision (b) may be earned. Only credit
3 earned prior to that date shall be made to a benefiting account.

4 ~~(g)~~

5 (i) The Legislature finds and declares that credit for a benefiting
6 account for the electricity output from the PVUSA are in the public
7 interest in order to value the production of this unique, wholly
8 renewable resource electricity generation facility located in, ~~and~~
9 ~~owned in part by~~, the City of Davis. Because of the unique
10 circumstances applicable only to the PVUSA a statute of general
11 applicability cannot be enacted within the meaning of subdivision
12 (b) of Section 16 of Article IV of the California Constitution.
13 Therefore, this special statute is necessary.

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